UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

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| SILVERMAN PARTNERS, LP, | Index No.: 08 CV 3103 |
| Plaintiff, | |
| -against- | |
| THE VEROX GROUP, KENNETH HOWLETT and WILLIAM EDWARDS, | |
| Defendants. | |

<u>DEFENDANTS, THE VEROX GROUP, KENNETH HOWLETT AND WILLIAM</u> <u>EDWARDS' ANSWER TO COMPLAINT</u>

PRELIMINARY STATEMENT

1. The Defendants are without knowledge or information sufficient to form a belief concerning the truth of these matters and call upon the Plaintiff to prove same.

JURISDICTION AND VENUE

- 2. The Defendants are without knowledge or information sufficient to form a belief concerning the truth of these matters and call upon the Plaintiff to prove same.
- 3. The Defendants are without knowledge or information sufficient to form a belief concerning the truth of these matters and call upon the Plaintiff to prove same. Defendants further deny that a substantial part of the relevant events occurred in the District.

PARTIES

- 4. The Defendants are without knowledge or information sufficient to form a belief concerning the truth of these matters and call upon the Plaintiff to prove same.
- 5. Admitted only insofar Verox maintains a principal place of business located at 18 Marin Way, Stratham, New Hampshire.
- 6. Admitted.
- 7. Admitted.

FACTS AND COMMON TO ALL CLAIMS

- 8. The Defendants are without knowledge or information sufficient to form a belief concerning the truth of these matters and call upon the Plaintiff to prove same.
- 9. Admitted.
- 10. Admitted.
- 11. Admitted.
- 12. The Defendants are without knowledge or information sufficient to form a belief concerning the truth of these matters and call upon the Plaintiff to prove same.
- 13. The Defendants are without knowledge or information sufficient to form a belief concerning the truth of these matters and call upon the Plaintiff to prove same.
- 14. The Defendants are without knowledge or information sufficient to form a belief concerning the truth of these matters and call upon the Plaintiff to prove same.
- 15. Denied.
- 16. The Defendants are without knowledge or information sufficient to form a belief concerning the truth of these matters and call upon the Plaintiff to prove same.

| 17. Denied. |
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| 18. Denied. |
| 19. Denied. |
| 20. Denied. |
| 21. Denied. |
| 22. Denied. |
| 23. Denied. |
| 24. Defendants repeat and re-aver each and every response set forth in the paragraphs "8" through "23" hereof with the same force and effect as if set forth at length herein. |
| 25. Admitted. |
| 26. Denied. |
| 27. Denied. |
| 28. Denied. |
| 29. Denied. |
| 30. Denied. |
| 31. Denied. |
| 32. Defendants repeat and re-aver each and every response set forth in the paragraphs "25" through "31" hereof with the same force and effect as if set forth at length herein. |
| 33. Denied. |
| 34. Denied. |
| 35. Denied. |
| 36. Denied. |
| 37. Denied. |
| |

54. Denied.

38. Denied. 39. Denied. 40. Defendants repeat and re-aver each and every response set forth in the paragraphs "33" through "39" hereof with the same force and effect as if set forth at length herein. 41. Admitted. 42. Admitted. 43. Denied. 44. Denied. 45. Defendants repeat and re-aver each and every response set forth in the paragraphs "41" through "44" hereof with the same force and effect as if set forth at length herein. 46. Denied. 47. Denied. 47. Denied. 48. Denied. 49. Denied. 50. Defendants repeat and re-aver each and every response set forth in the paragraphs "46" through "49" hereof with the same force and effect as if set forth at length herein. 51. The Defendants are without knowledge or information sufficient to form a belief concerning the truth of these matters and call upon the Plaintiff to prove same. 52. Denied. 53. Denied.

- 55. Defendants repeat and re-aver each and every response set forth in the paragraphs "51" through "54" hereof with the same force and effect as if set forth at length herein.
- 56. Denied.
- 57. Denied.
- 58. Denied.
- 59. Defendants repeat and re-aver each and every response set forth in the paragraphs "56" through "58" hereof with the same force and effect as if set forth at length herein.
- 60. Admitted.
- 61. Denied.
- 62. Denied.
- 63. Denied.
- 64. Denied.

WHEREFORE, the Defendants, The Verox Group, Kenneth Howlett and William Edwards request that judgment enter in their favor as against the Plaintiff on each count and more specifically Counts 1, 2, 3, 4, 5, 6 and 7.

AFFIRMATIVE DEFENSES

- 1. The claims arising out of the subject matter of the transactions and occurrences alleged are barred by the statute of frauds.
- 2. The claims arising out of the subject matter of the transactions and occurrences alleged are barred by the applicable statute of limitations.
- 3. The claims arising out of the subject matter of the transactions and occurrences alleged are the result of mutual mistake.

- 4. The claims arising out of the subject matter of the transactions and occurrences alleged are barred by an absence of legal responsibility on the part of the Defendants.
- The claims arising out of the subject matter of the transactions and occurrences alleged were the result of the acts or omissions of a third party for whose conduct the Defendants were not legally responsible.
- 6. The claims arising out of the subject matter of the transactions and occurrences alleged are barred by an absence of privity of contract between the Plaintiff and the Defendants.
- 7. The Defendants hereby gives notice that they intend to rely upon such other and further defenses as may become available or apparent during discovery proceedings in this action and hereby reserves the right to amend their Answer and to assert any such defense by appropriate motion.
- 8. The Complaint fails to state a claim upon which relief may be granted.

THE DEFENDANTS DEMAND A TRIAL BY JURY ON ALL COUNTS HEREIN.

Dated: New York, New York June 10, 2008

> s/ Laurence H. Pearson, Esquire Laurence H. Pearson, Esquire 305 Broadway, Suite 900 New York, New York 10007 (212) 897-5840

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

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| SILVERMAN PARTNERS, LP, | Index No.: | 08 CV 3103 |

Plaintiff,

-against-

THE VEROX GROUP, KENNETH HOWLETT and WILLIAM EDWARDS,

Defendants.

DEFENDANT'S RULE 7.1 DISCLOSURE STATEMENT

Now comes the Defendant, The Verox Group and herewith states that it has no parent corporation and that there is no publicly held corporation that owns 10% or more of its stock.

Respectfully Submitted:

/s/ Kenneth Howlett
Kenneth Howlett
The Verox Group
18 Marin Way
Stratham, New Hampshire

Dated: June 10, 2008

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

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